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UNITED STATES DEPARTMENT OF AGRICULTURE  
Federal Extension Service  
Washington 25, D. C.  
U. S. DEPT. OF AGRICULTURE

## SOME NEEDS AND OPPORTUNITIES IN FRUIT AND VEGETABLE MARKETING

### Terminal Market Wholesale Handlers

In each of the metropolitan markets there are numerous wholesale handlers of fruits and vegetables, including such specialized operations as tomato ripeners and repackers, potato prepeelers, frozen food distributors and others in addition to the many more generalized produce wholesale firms. The costs of handling produce in these firms, including physical deterioration and reduction in nutritive value, are important items determining the prices producers receive and consumers pay. Also between the shipper and the terminal market deterioration occurs that is most easily observed and studied in the terminal markets. This too is a cost reducing prices received by producers.

There is available a considerable volume of research useful in reducing handling costs in wholesaling fresh and processed fruits and vegetables and also research of value in reducing in-transit damage. Research to attack other problems in wholesaling and transit would be facilitated by Extension personnel concentrating their attentions on efficiency in wholesale markets.

These markets, handling produce from many States and all sections of the country are of interest to producers in all sections of the country.

Extension programs to increase the efficiency of handling in these markets, to report to producing areas problems originating before shipment or affected by pre-shipment handling, can make an important contribution to the efficiency of fruit and vegetable marketing. Extension workers, as presently organized, with a responsibility primarily to producers in their States have not met this regional and national need.

Consideration needs to be directed toward possible means of providing this type of assistance. It is suggested that experimental programs be considered for three markets, New York City, Chicago and Kansas City, with possible expansion to other markets after a period of evaluation.

### Northeast Processing Industry

During recent years production of processing crops has expanded in the West while in the East the industry has faced difficult problems in maintaining its position. Many eastern processors have had difficulty obtaining raw products at prices enabling farmers to continue production while also selling the finished products at competitive prices. The processing industry is an important segment of eastern agriculture and processing firms have substantial investments in plant and equipment. The problem has many facets, some of which have received the attention of Extension for years. Probably Extension has devoted more attention to efficient production of high quality

raw products than other phases of the problem. This work deserves increased emphasis. Also research conducted by several States and the USDA offers opportunities for increasing the efficiency of the processing operations and the marketing of the processed product. Extension programs directed toward these needs can help both processors and producers in these areas. The Federal Extension Service has one specialist devoting full time to these needs of the processing industry on a national scale. He can be of great assistance to State workers in this area but cannot maintain the sort of intensive program that State specialists can provide. While some States may be able to provide specialists to concentrate on these needs, others probably cannot. Consideration needs to be given to the possibility of developing a regional program in a group of Northeastern States as well as to possibilities for State programs to provide this assistance. Such programs may integrate the work of economists, food technologists, engineers and other disciplines.

#### Harvesting and Packing Efficiency

Considerable research has been conducted to reduce costs in harvesting, handling and packing fruits and vegetables. It has been possible to reduce physical damages as well as reduce costs of labor in the firms cooperating in the research. Such studies have been conducted or are underway for apples, pears, potatoes, oranges, lemons and onions. The research has required the abilities of workers in economics, engineering and the biological sciences.

Extension workers concerned with fruit and vegetable marketing, while they have been interested in the research, have done relatively little in applying the research results to other firms and in using the principles developed in improving handling in other types of firms. The lack of such activity is understandable in light of the complexity and newness of the work. Extension specialists and agents to do effective work in this area need to be familiarized with the research methods and equipped with the necessary principles. Also there is a need to bring to bear in the extension a combination of subject matter specializations, similar to that combined in the research. A number of States can improve the efficiency of marketing and improve net returns to growers by developing more work of this type. Training conferences and visual aids prepared by researchers or Federal Extension can help the States in this development. Also the States need to give consideration to possible adjustments they might make to meet the timely need.

#### Work With Retailers, Truckers, Storage Operators and Other Handlers in Producing Area

In most States fruit and vegetable marketing specialists and county workers devote a high proportion of their time to decisions made by the farmer. This has been so because these decisions are important and deserve attention and also because, as Extension is organized, these workers feel their first responsibility is to directly help farm people. Work that can help farm people less directly is likely to receive lower priority in the use of the time of these busy people.



However, there are inefficiencies in fruit and vegetable marketing firms in producing areas and in the cities within these States. Reducing these inefficiencies can help farm people just as certainly as direct help to the producer. Considerable research is available as a basis for work with retailers, truckers, shippers, storage operators and others. In some cases more of this type of work can be obtained by providing encouragement from Extension administration and supervision. This encouragement probably is a necessary condition for obtaining more of this type of work. Also in many cases additional training of both specialists and agents is necessary. Marketing extension workshops can help provide the training for specialists, who must make agent training a major part of their program. Also, in a number of States additional specialist personnel are required before the work can be greatly expanded beyond on-farm decisions. In some cases too, additional agent personnel, perhaps specialized in marketing and perhaps serving several counties, may be necessary for expanded work in marketing.

### On-Farm Marketing Decisions

The nature of the marketing decisions made by farmers and the assistance needed by them varies considerably from product to product and area to area. In some cases there are very few buyers available; the product must be sold immediately and the buyer specifies the grading and packing methods to be used or does the grading and packing - allowing few matters for the farmer's decision. In other cases there are many alternative market channels and many buyers; the product can be stored and the farmer can use a wide range of grading and packing standards. In these cases marketing decisions are complex and the farmer needs considerable economic data and assistance in economic analysis. In some States the needs for help by farmers in their marketing decisions have been well served. However, the need for help in efficient handling methods mentioned above is quite general. Also there are a number of States where fruit and vegetable production is quite important where only a small part of the time of one specialist is devoted to fruit and vegetable marketing. These workers, because of their workload, are unable to devote time to many of the rather specific questions with which farmers want help, and have little or no time for considering efficiency in retail and other marketing firms. Additional specialist personnel also are needed to adequately serve needs of farmers.

### Personnel Needs

The personnel needs depend on the extent to which the State extension services develop work in the areas mentioned above and the extent to which existing specialist and county workers can adjust their programs to meet these needs. Nationally at least 25 additional fruit and vegetable marketing specialists can be used effectively, largely within the present scope of extension activities. For the terminal market work, three men are required initially, with effective use of 25 possibly within five years. The regional work with processors probably requires two additional workers now with a potential of 30 State or regional workers. Probably 12 States could effectively and efficiently use at least one specialist to work on materials handling. Also within the States there are numerous opportunities for agents or specialists to work on marketing fruits and vegetables in special production areas or market areas.

### Special Regional Needs

The Northeast - This is the region of greatest concentration of population and therefore, greatest amount of wholesale and retail handling of fruits and vegetables. It is in this area that a high proportion of the workers with the fruit and vegetable wholesalers would be stationed. Also here more specialist and agent time needs to be devoted to work with the retail trade. The processing industry in this area has been "feeling the squeeze" more than in some other areas and deserves priority for development of work with processors. Fruit and vegetable producers in this area are near to market, have many alternative outlets and marketing practices, and therefore, complex marketing decisions. Work with this group cannot be de-emphasized and needs strengthening in most States.

Southern States - Producers in these States serve both local markets and distant markets. The processing industry is less important than in other areas. The producers serving distant markets need the terminal market service of Extension personnel working with wholesalers. They also need the services of Extension to assist in the assembly and shipping of their produce. This work would be greatly assisted by the terminal market personnel. Farmers serving local markets also need help with their complex decisions. There is interest in this area in further development of processing and Extension can guide and aid this development. In this area several men can be used to work with wholesalers in terminal markets; considerably more emphasis needs to be given to work with the retail trade. These States should substantially strengthen the work with farmers and shippers. This is probably the greatest need of the area.

North Central States - The needs of this area are in many respects like those of the Northeast. The important processing industry needs assistance, the population and number of retailers and wholesalers is large, and there is a large production for local markets as well as production for distant markets. In this area several workers in terminal markets could assist farmers in this and other regions. Considerable progress has been made in work with retailers but more is needed. Rather high priority should be given to additional help to the processing industry. Several States can use more specialist assistance for farmers and shippers.

The West - The eastern States are the most important area in the production of fruits and vegetables for fresh market and processing. Vast quantities are shipped to the populous areas of the South and East with high costs of transportation and quality maintenance. Producers are long distances from the markets where their products are distributed to consumers. They particularly need the services of Extension in the terminal markets to keep them informed of conditions there and to increase efficiency in those markets. In this area also there are opportunities for State and county workers to increase the efficiency of shipping point handling. Considerable research has been conducted in this field in western States. There are many opportunities for Extension to be of more help to shippers and producers in increasing their efficiency. Several States need additional personnel for this work. The western processing industry is relatively young, vigorous and expanding - probably more actively seeks assistance from Extension than in some other areas and makes up a substantial part of U. S. fruit and vegetable processing. Work with processors must progress in this area as in other areas.





